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ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

RECORDATION NO. 21899
DEC 23 '98
2-44 PM
FILED

OF COUNSEL
URBAN A. LESTER

December 23, 1998

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
Washington, D.C. 20423

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a), are two (2) copies of Memorandum of Equipment Lease, dated as of December 23, 1998, a primary document as defined in the Board's Rules for the Recordation of Documents.

The names and addresses of the parties to the enclosed document are:

Lessor: Mellon Leasing Corporation
One Mellon Bank Center
Suite 4444
Pittsburgh, Pennsylvania 15258

Lessee: Union Pacific Railroad Company
1416 Dodge Street
Omaha, Nebraska 68179

A description of the railroad equipment covered by the enclosed document is:

four hundred and seventy-nine (479) railcars attached
hereto

RECEIVED
SURFACE TRANSPORTATION
BOARD
DEC 23 2 44 PM '98

Charles P. Williams

Mr. Vernon A. Williams
December 23, 1998
Page 2

Also enclosed is a check in the amount of \$26.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures

DEC 23 '98

2-44 PM

MEMORANDUM OF EQUIPMENT LEASE

This Memorandum of Equipment Lease is intended to evidence the Lease of Railroad Equipment, dated as of November 2, 1998, (the "**Lease**"), between MELLON LEASING CORPORATION, a Pennsylvania corporation, having its principal office at One Mellon Bank Center, Suite 4444, Pittsburgh, PA 15258 ("**Lessor**") and UNION PACIFIC RAILROAD COMPANY, a Delaware corporation, having an office at 1416 Dodge Street, Room 200, Omaha, NE 68179 ("**Lessee**"), for the purpose of satisfying the requirements of recordation with the Surface Transportation Board under Section 11303 of Title 49 of the United States Code. Lessor is the owner of the boxcars more fully described in Schedule 1 hereto (the "**Equipment**"). Lessee has leased from Lessor the Equipment at the rentals and upon the terms and conditions provided in the Lease for the term commencing December 23, 1998, and ending December 22, 2003.

IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due authority, have executed this Memorandum of Lease as of December 23, 1998.

Lessor:

MELLON LEASING CORPORATIONBy: 

Michael F. Marks
Vice President

Lessee:

**UNION PACIFIC RAILROAD
COMPANY**

By: _____

COUNTY OF ALLEGHENY

)

) SS

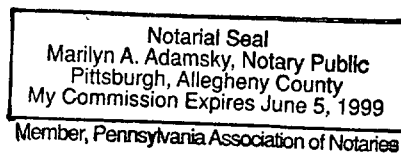
COMMONWEALTH OF PENNSYLVANIA

)

On this the 16 day of December 1998, before me personally appeared Michael F. Marks, to me personally known, who being by me duly sworn, says that he is a Vice President of Mellon Leasing Corporation, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Marilyn A. Adamsky

Notary Public



MEMORANDUM OF EQUIPMENT LEASE

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IN WITNESS WHEREOF, Lessor and Lessee, each pursuant to due authority, have executed this Memorandum of Lease as of December 23, 1998.

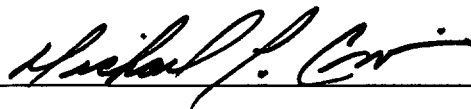
Lessor:

MELLON LEASING CORPORATION

By: _____
Michael F. Marks
Vice President

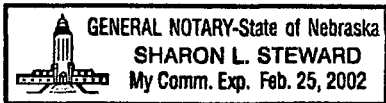
Lessee:

UNION PACIFIC RAILROAD COMPANY

By: 

COUNTY OF DOUGLAS)
) SS
STATE OF NEBRASKA)

On this the 17th day of December 1998, before me personally appeared Michael Cronin, to me personally known, who being by me duly sworn, says that he is V.P. Supply of Union Pacific Railroad Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and she/he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Sharon L. Steward
Notary Public

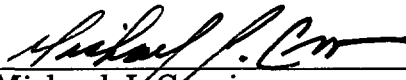
SCHEDULE 1
THE EQUIPMENT

<u>Type</u>	<u>Quantity</u>	<u>Road Numbers</u>
50-foot, 6-inch, 70-ton, Class XM boxcars built by FMC Corporation in 1980	479	CNW 716000 to CNW 716499, both inclusive, <u>excluding</u> the following Road Numbers: CNW 716010, 716021, 716035, 716088, 716090, 716133, 716171, 716227, 716234, 716258, 716321, 716322, 716339, 716345, 716357, 716398, 716437, 716463, 716497, 716498, 716499

CERTIFICATE OF ACCEPTANCE

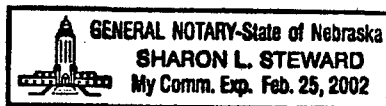
The undersigned ("**Lessee**") hereby certifies that the Units of railroad equipment (individually a "**Unit**" and collectively, the "**Units**") identified on Annex A hereto, have been accepted by the Lessee as Units under that certain Lease of Railroad Equipment, dated as of November 2, 1998, between Lessee and Mellon Leasing Corporation covering up to 479 boxcars (the "**Lease**"). Acceptance is deemed to occur in the State of Nebraska. Each Unit became, on the date set forth below, subject to all the terms and conditions in the Lease. The Lessee further certifies that each Unit has been marked in accordance with Section 5 of the Lease and bearing the identifying numbers of Lessee specified in Annex A hereto.

Lessee:
**UNION PACIFIC RAILROAD
COMPANY**

By: 
Michael J. Cronin
Vice President - Supply
December 23, 1998

COUNTY OF DOUGLAS)
STATE OF NEBRASKA) SS

On this the 17th day of December 1998, before me personally appeared Michael J. Cronin, to me personally known, who being by me duly sworn, says that he is a Vice President of Union Pacific Railroad Company, that the foregoing instrument was signed on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.




Notary Public

SCHEDULE 1
THE EQUIPMENT

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SURFACE TRANSPORTATION BOARD
WASHINGTON, D.C. 20423-0001

OFFICE OF THE SECRETARY

Robert W. Alvord
Alvord and Alvord
918 Sixteenth St., NW., Ste. 200
Washington, DC., 20006-2973

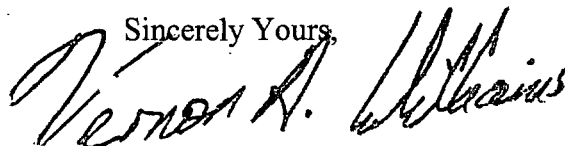
Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of 49 U.S.C. 11301

and 49 CFR 1177.3(c), on 12/23/98 at 2:44PM , and

assigned recordation number(s). 21899, 9639- M, 9639-N and 20204-B,

Sincerely Yours,



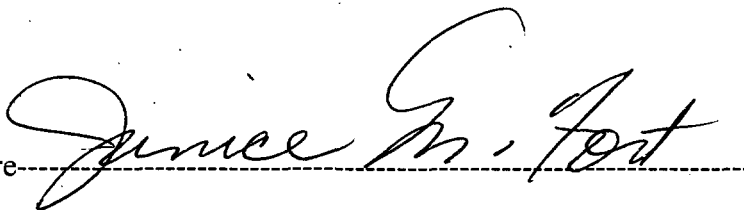
Vernon A. Williams

Enclosure(s)

104.00

\$_____ The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid. In the event of an error or any questions concerning this fee, you will receive a notification after the Surface Transportation Board has an opportunity to examine your document.

Signature-----



SCHEDULE 1
THE EQUIPMENT

<u>Type</u>	<u>Quantity</u>	<u>Road Numbers</u>
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